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VOL. CLII NO. 107 Wednesday, June 3, 1987 152nd Year

TODAY

VOLCKER — GREENSPAN

PRESIDENT REAGAN ANNOUNCED plans to replace Federal Reserve Board Chairman Paul A. Volcker, who resigned Tuesday, with noted economist Alan Greenspan, a move that could make the Fed more receptive to broad deregulation of the financial industry. Mr. Volcker's decision to reject a third term stunned financial markets, but the shock was eased with Mr. Greenspan's nomination... 1

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Paul had a long run. He caused inflation to break, but the side effect was the worst recession since the 1930s.

Walter Wriston, on the resignation of Paul A. Volcker as Federal Reserve chairman [Page 1]

Unquote

Greenspan to Replace Volcker at Fed

By ROBERT M. GARSSON
and JAY ROSENSTEIN
Washington Bureau

WASHINGTON — President Reagan announced Tuesday that he plans to replace Federal Reserve Board Chairman Paul A. Volcker with noted economist Alan Greenspan, a move that could make the central bank more receptive to broad deregulation of the financial industry.

Mr. Volcker's decision to reject a third term at the Fed stunned financial markets Tuesday, but the shock was cushioned by the decision to nominate Mr. Greenspan, a former White House economic adviser who is well respected in his field.

Mr. Volcker, whose term expires Aug. 6, said he plans to stay on board at the Fed until a new chairman takes office. Mr. Greenspan's nomination must be approved by the Senate Banking Committee and then the full Senate before he can take over at the Fed. He is expected to win approval without difficulty.

Once the transition is completed, President Reagan will have appointed all seven members of the Federal Reserve Board. Mr. Volcker was originally appointed by President Carter in 1979.

Observers interviewed Tuesday said they expected no major changes in Fed monetary policy under Mr. Greenspan. Both Mr. Volcker and Mr. Greenspan are considered tough inflation fighters who are also aware of the benefits of economic expansion.

However, most Fed watchers said they consider Mr. Greenspan to be more sympathetic than Mr. Volcker to financial industry deregulation. That could make the Fed more willing to support regulations and legislation that would permit banking firms to expand into securities, real estate, and insurance.

Also, observers said, Mr. Volcker had been a leader of the opposition to diversified firms entering banking through the so-called nonbank-bank loophole. The Fed stance now could soften under Mr. Greenspan and become more attuned to the administration position, which supports the more free-market approach.

Although Mr. Volcker was a strong advocate of new powers for banks, he had argued that Congress, rather than the Fed, should take the lead in authorizing new products and services. Most recently, Mr. Volcker dissented from a decision in which the board approved new securities underwriting authority for several large New York banks.

Walter Wriston, former chairman of

Reagan: Page 14 ➳

Greenspan Wins Waiting Game To Lead the Fed into New Era

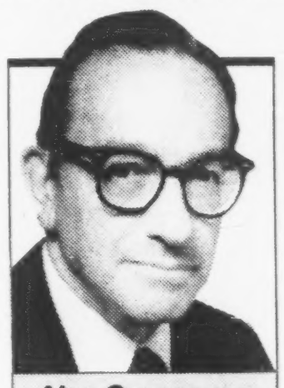
By BART FRAUST

NEW YORK — Alan Greenspan did not earn his doctorate in economics until 1977, 27 years after receiving his master's degree from New York University. Thus, the 61-year-old economist is used to waiting.

For the last five years, he waited as he was mentioned repeatedly as the individual most likely to lead the Federal Reserve Board into the post-Volcker era, whenever that arrived.

That era began on Tuesday when President Reagan announced that Paul A. Volcker had chosen not to seek a new term at the Fed and that Mr. Greenspan will succeed him.

Representatives at Mr. Greenspan's New York economic consulting firm, Townsend-Greenspan & Co., said he was not giving interviews. He told White House reporters on Tuesday that he would not discuss Federal Reserve issues until his Senate confirmation hearings.



Alan Greenspan

Bankers, economists, and other financial analysts were more than willing to talk about Mr. Greenspan, and the comments were universally favorable.

"If a change had to be made, the country is extremely fortunate to have a man like Alan Greenspan waiting in the wings,"

Greenspan: Page 15 ➳

Volcker Exit Will Overhaul Banks' Outlook

By ROBERT TRIGAUX
Washington Bureau

WASHINGTON — Federal Reserve Board Chairman Paul A. Volcker's influence in the banking and financial markets is so pervasive that his resignation will require a complete overhaul of industry issues affected by the central bank, say observers.

News Analysis

The rethinking must include international and domestic policies, ranging from Third World debt to financial deregulation in the United States.

Analysis: Page 16 ➳

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Technology Topics

TANDEM GETS AVAIL: Tandem Computers Inc., Cupertino, Calif., said that Avail, the statewide electronic funds transfer network in Georgia, has installed a Tandem NonStop VLX mainframe that will begin switching transactions among member financial institutions in late 1987.

The system will process transactions from 2,500 automated teller machines and point-of-sale terminals owned by more than 145 institutions and serving 2.4 million cardholders.

Avail's operator is Georgia Interchange Network Inc., a consortium of 12 financial institutions.

The network currently switches 2.2 million transactions per month.

Avail's own Tandem VLX will take the place of a three-year data processing service contract, which expires in December, with Citizens & Southern National Bank of Atlanta.

Ron Dennis, president of Avail, said the company has been happy with C&S service, using its Tandem computer, but growing transaction volumes now make an in-house arrangement more economical.

Software will be provided by MTech of Dallas. MTech is a member of the Tandem Alliance, a program to encourage development of application software that runs on Tandem systems.

□

AUSTRALIANS CONNECT ATMS: Westpac Banking Corp. and Commonwealth Banking Corp., the second and fourth largest banks in Australia, respectively, have signed a nationwide automated teller machine sharing agreement.

Customers of both banks now have access to 1,300 machines throughout the country using Westpac ATM cards, the Westpac MasterCard, Commonwealth Keycard, and Commonwealth MasterCard.

□

NATWEST ANSWERS: National Westminster Bank USA has licensed a modified version of I.T. Answers, an in-house cash management reporting system offered by Interactive Technology Corp., Atlanta.

The software is the basis for an electronic controlled disbursement reporting system that Interactive Technology developed for NatWest USA. The system, which Interactive Technology plans to market to other financial institutions, provides for immediate processing and reporting of companies' controlled disbursement activity. ■

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Automation Takes Bigger and Bigger Bites

Banking Industry Not Holding Line on Costs, Survey Shows

By JEFFREY KUTLER

San Francisco

THE BANKING INDUSTRY is finding it impossible to hold the line on automation costs, the American Bankers Association's latest national operations and automation survey showed.

Operating expenditures have been growing faster than the United States inflation rate, and automation has been eating up progressively larger slices of that expanding pie since the association started measuring it in 1963.

In 1985, U.S. commercial banks' noninterest operating expenses exceeded $80 billion, up 10% in a year when the consumer price index rose less than 4%.

Seven percent of the industry's aggregate operating budget, more than ever before, went for data processing in 1986. This percentage was twice as high at the largest banks, whose automation needs are the greatest.

The smaller the bank, the more likely it is to rely on larger banks, service bureaus, and consultants for its data processing needs. This factor seems to have loaded more noninterest operating costs on those latter organizations.

Banks in all size categories, but especially the larger ones, expected their automation burdens to worsen in 1986 and 1987, according to results of a questionnaire completed a year ago by executives of 706 commercial banks.

For example, at banks above $500 million in assets, data processing accounted for 12.8% of 1985 operating expenses, compared with 9.1% in 1980.

At banks with more than $5 billion in assets, the 1985 proportion was 15.3%, 1986 budgets showed 16%, and their 1987 estimate rose to 18.2%.

By contrast, banks under $100 million in assets held the line at 6.9%, actually two-tenths of a percentage point below where automation budgets were in 1980 at the time of the last ABA survey. They budgeted for the same 6.9% of operating expenditures to go for data processing in 1986 and expected only a slight upward bump to 7% in 1987.

For medium-size banks — $100 million to $500 million in assets — the 1985 automation percentage of 8.1% widened significantly from 6.6% in 1980 but was only slightly above their 7.9% in 1978. These bankers budgeted for 8% in 1986 and anticipated 8.3% this year.

System Costs as a Percent of Total Operating Expense

(1986 Budgets and 1987 Projections)

Bank Asset Size (In Millions)	Data Processing 1986	Data Processing 1987	Check Processing 1986	Check Processing 1987	Telecommunications 1986	Telecommunications 1987
Under $100	6.9%	7.0%	9.7%	9.6%	2.8%	2.8%
$100-$500	8.0	8.3	7.6	7.5	2.8	2.9
$500-$1,000	11.9	11.8	4.1	4.2	3.2	3.2
$1,000-$5,000	13.0	13.2	5.5	5.0	4.2	4.3
Over $5,000	16.0	18.2	6.0	6.0	2.9	2.9

Source: American Bankers Association national operations and automation survey.

On top of these percentages devoted to data processing, banks spent up to 10% more of total operating costs on check processing and an additional 4% on telecommunications. These statistics did not change in proportion to bank size the way the data processing percentages did.

Smaller banks in 1986 budgeted proportionally more for check processing than did larger banks: 9.7% of operating expenses at banks under $100 million in assets; 7.6% at banks between $100 million and $500 million; 4.1% at banks between $500 million and $1 billion; 5.5% at $1 billion to $5 billion banks; and 6% at those $5 billion and higher in assets.

As a percentage of total operating expense, the average under-$500 million bank spent 2.8%; the average $500 million to $1 billion bank 3.2%; the average $1 billion to $5 billion bank 4.2%; and the average over-$5 billion bank only 2.9%.

Respondents foresaw virtually no change in their check-processing and telecommunications proportions for 1987, in contrast to the anticipated increases for general data processing.

Salaries the Biggest Item

The largest component of operations and automation spending was salaries and fringe benefits for employees. Annual employment budgets ranged from $241,000 for the average under-$100 million bank to $12.9 million for the average over-$500 million institution. Medium-size banks averaged $986,000, the ABA survey showed.

For all survey respondents, the 1986 employment budget was 6.5% higher than actual spending in 1985. They anticipated limiting that increase to 5.2% in 1987. Both growth rates would be higher than secular inflation in recent years but lower than those years' industry-wide salary increases as calculated from Federal Deposit Insurance Corp. income statements.

After employment, the next biggest operational expense category was computer equipment. The 1986 budgets ranged from $39,000 at the average small bank to $4 million at the banks over $500 million in assets, with medium-size institutions well below the largest at $182,000.

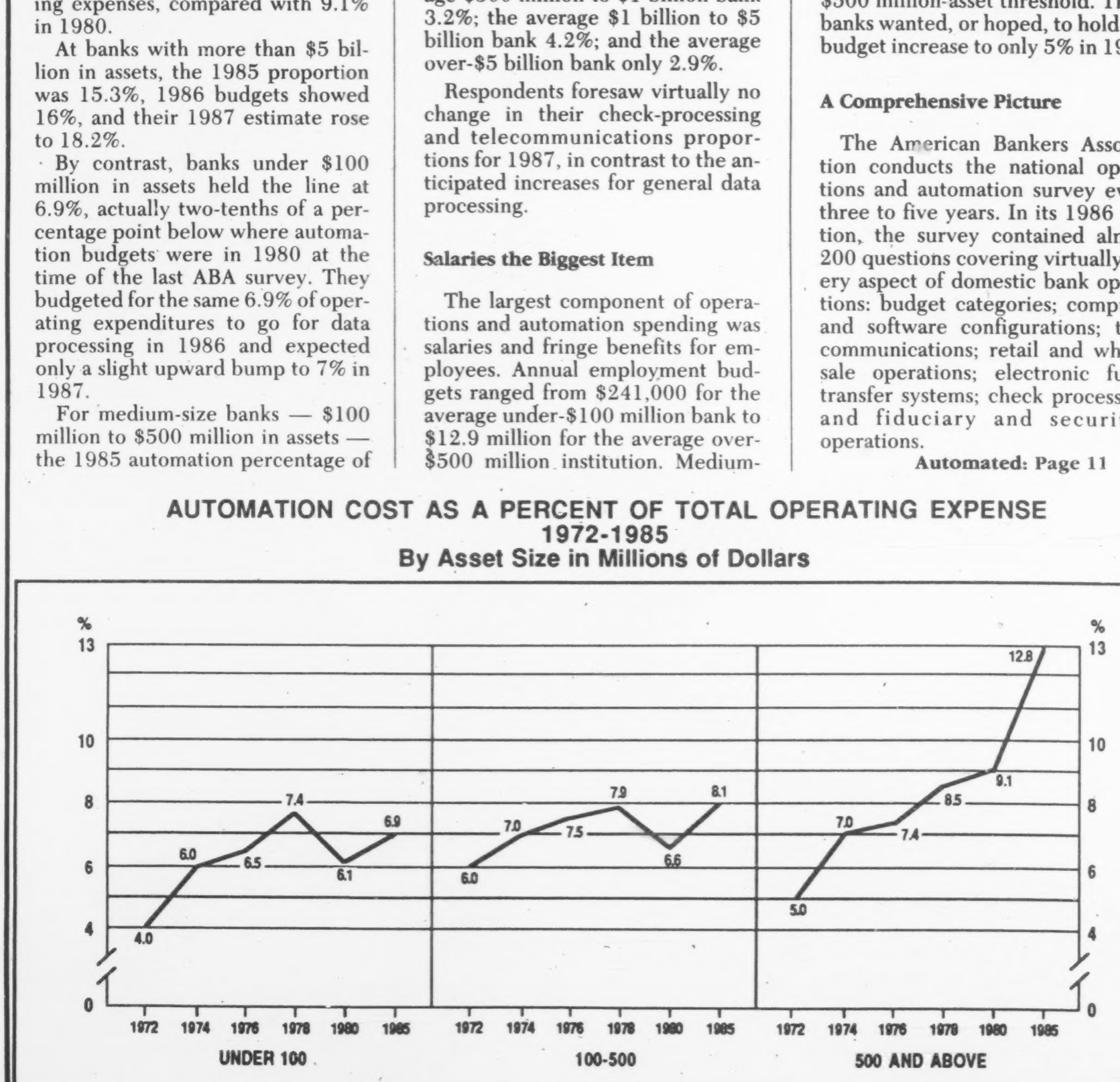
Inflation in equipment costs — 11% for all banks in 1986 and 6.3% anticipated in 1987 — exceeded the salary growth. As would be expected, the 1986 increase was an even greater 13% among banks above the $500 million-asset threshold. These banks wanted, or hoped, to hold this budget increase to only 5% in 1987.

A Comprehensive Picture

The American Bankers Association conducts the national operations and automation survey every three to five years. In its 1986 edition, the survey contained almost 200 questions covering virtually every aspect of domestic bank operations: budget categories; computer and software configurations; telecommunications; retail and wholesale operations; electronic funds transfer systems; check processing; and fiduciary and securities operations.

Automated: Page 11 ➤

AUTOMATION COST AS A PERCENT OF TOTAL OPERATING EXPENSE
1972-1985
By Asset Size in Millions of Dollars



THE MARKETS

Money Market

Tuesday June 2, 1987

Federal funds range 6⁹/₁₆%-6⁹/₁₆%
Prime rate (5/18/87) 8.25%
Discount rate FRB of New York (8/21/86) 5½%
Call Loans on Securities:
To brokers on stock exchange collateral 8.00%

Bankers Accepts. offering rate—discount basis (6/2/87)

30 days—6.80	60 days—6.85	90 days—6.92
120 days—6.95	180 days—7.05	

N.Y. City Banks' CDs — Highest Offering Rate (6/2/87)

14 days—6.30	30 days—6.50	60 days—6.60
90 days—6.65	120 days—6.80	150 days—6.85
180 days—6.90	270 days—7.15	360 days—7.35

Aaa Dealer Comm'l Paper—discount basis (6/2/87)

30 days—6.375	60 days—6.80	90 days—6.85

Comm'l Paper Directly Placed—Range disc. Basis (6/2/87)

5-14 days—N.A.	15-29 days—6-6⅜
30-59 days—6-6⅜	60-89 days—6-6⅜
90-179 days—6-6⅜	180-270 days—6-6⅜

Eurodollar Deposits—London bid (6/2/87)

Overnight—6⁹/₁₆	7 days—6¾
1 mo.—6½	3 mos.—7¼
6 mos.—7½	1 year—8¹/₁₆

NIBOR (6-month) 7⁹/₁₆%
LIBOR (6-month) 7⁹/₁₆%

Futures Markets

The Bond Buyer Municipal Bond Index

	June 2, 1987	June 1, 1987	May 26, 1987
Index	89.08	89.29	87.09
Yield to Par Call	8.88	8.79	9.00
Yield to Maturity	8.39	8.32	8.41

The Bond Buyer Municipal Bond Index was designed by the Chicago Board of Trade to serve as the basis for trading Long-Term Municipal Bond futures contracts when approved by the Commodity Futures Trading Commission. The Index represents an average of the figures obtained when the price of each of 40 select term bonds is divided by a figure derived from the amount at which the bond would be priced to yield 8%. In all computations, the maturity of a bond is represented by its first call at par. The Index is computed daily and is quoted in points and 32nds.

3-Month T-Bill Futures (IMM)*

Delivery Month	High	Low	Settle	Change (a)	Yield(b)
June '87	94.30	94.13	94.25	+ 5	5.75
Sept.'87.	93.39	93.22	93.24	-20	6.76
Dec. '87.	93.04	92.79	92.82	-28	7.18
Mar. '88.	92.81	92.57	92.58	-30	7.42
June '88	92.55	92.42	92.39	-32	7.61
Sept.'88.	92.37	92.28	92.23	-34	7.77
Dec. '88.	92.25	92.12	92.07	-34	7.93
Mar. '89.	.....	91.91	91.93	-34	8.07

As of the previous day's close; Total no. of contracts traded: 8,920 total open interest: 25,212 and change in open interest: -1,871

American Banker Index

Selected Money Center Bank Stocks*

		High	Low	Last
June 1 ....347.3	1987	374.2	316.8	347.3
June 1 ....348.1	1986	388.7	311.2	331.3
May 29 ...344.9	1985	344.2	242.7	344.2
May 28 ...343.6	1984	269.6	178.4	246.3
May 27 ...344.9	1983	299.6	223.1	260.2

* Based on midday prices.

Automation Costs Take Bigger and Bigger Bites

Continued from Page 8

The ABA has published the results, reflecting on banks' automation status at the end of 1985, in a 172-page book. The book includes a management summary and about 400 tables and graphs enabling comparisons of a bank's strategies and performance with others of the same size. Some of the tables revealed the following:

• Automation has virtually saturated the commercial banking industry. Only 3% of all banks, almost all of them small, do not use computers on or away from their own premises. The percentage was the same 1980. As recently as 1977, 11% of banks were not using any computer systems.

• The falling costs of computing along with the advent of mini- and microcomputers have made on-premises systems feasible for even the smallest banks. Forty-two percent of banks below $100 million in assets said their primary sources of computer processing in 1985 were on their own premises, up from 24% in 1980 and equal to the 42% reported by medium-size banks in 1985. Although 47% of small banks were still relying on the data processing services of correspondent banks or nonbank suppliers in 1985, this was down from 62% in 1980 and 67% in 1977.

• At banks under $100 million in assets, 31.7% rated their correspondent bank data processor excellent, 65% said it was satisfactory, and only 3.3% said it was unsatisfactory.

• About one bank in two used outside data processing consultants. Small banks budgeted an average $47,100 for consultants in 1986 and expected to raise that 5% in 1987. The average bank above $500 million in assets budgeted $286,300 for consultants in 1986 and projected a 21% increase for this year.

• Automated teller machines are operated by 97% of banks over $500 million in assets, 87% of banks between $100 million and $500 million; and 33% of banks under $100 million. The average $5 billion or larger bank operated a 137-machine network at the end of 1985. Nine of ten banks charged a fee, averaging about 20 cents, for an ATM cash withdrawal, but the fee tripled for transactions originating at machines owned by another bank in an ATM network.

• Half of banks above $5 billion and more than one-fourth of those between $500 million and $5 billion said they operated or planned to operate point-

Automated: Page 12

NEW ISSUES June 3, 1987

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Non-Callable

Price 100%

$600,000,000
9.20% Debentures

Dated June 10, 1987 Due June 10, 1997
Interest payable on December 10, 1987 and semiannually thereafter
Series SM-1997-C Cusip No. 313586 XG 9
Non-Callable

Price 99.875%

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Debentures will be available in *Book-Entry* form only. There will be no definitive securities offered.

Gary L. Perlin, *Senior Vice President-Finance and Treasurer*
Linda K. Knight, *Vice President and Assistant Treasurer*

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This announcement appears as a matter of record only.

Chicago Board of Trade Delays Institutional Index Contract

CHICAGO — The Chicago Board of Trade has postponed indefinitely its plan to trade an institutional index futures contract, originally scheduled to open on June 15. The contract is based on a 75-stock institutional index option contract, which has been trading lightly on the American Stock Exchange.

The futures mart attributed the postponement to the need to complete computer technology related to stock quotations and to enhance computer support systems for its new evening trade session and upcoming municipal bond index contracts. The municipal contracts are set to open on June 11.■

Security Pacific . . .

Continued from Page 7

even with this $58 million addition to reserves, we expect significant profits for the full year 1987."

After the addition, Rainier's reserve for loan losses will be about $136 million, or 2.07% of total loans and leases. Rainier has equity of almost $600 million, and it is projected that primary capital on June 30 will be 7.5%.

Jon Christopherson, Rainier's president, said that while Rainier and Security Pacific kept one another apprised of their decisions to boost loss reserves, **Rainier's decision was made in Seattle, not Los Angeles.** ■

Keystone Bancshares, Inc.

has been acquired through merger by

First of America Bank Corporation

The undersigned acted as financial advisor to Keystone Bancshares, Inc. and assisted in the negotiations leading to this transaction.

William Blair & Company

Chicago
Denver London

June, 1987

Marine Senior Promotions Are Part of Reorganization

By FRANKLIN SMITH

NEW YORK — Marine Midland Bank has made several senior management appointments as part of a major reorganization of its operating structure in New York State.

Two new sectors, the major business units of the bank, will be established on July 1. They are the community banking sector and the national consumer sector. Existing sectors are capital markets, corporate-institutional-international banking, corporate resources-administration, and strategic positioning.

Alan J. Heuer will become sector executive for the new community banking sector, which comprises Marine's direct consumer banking activities and its business with small and middle-market firms throughout New York State.

Mr. Heuer previously was division executive for the bank's direct consumer banking division.

Peter Laqueur has been named sector executive for the national consumer sector, which includes Marine's auto lending, credit card, education lending, residential mortgage banking, and other individual finance activities throughout the United States. Mr. Laqueur had been division executive for the indirect consumer banking division.

Within the community banking sector, Marine's consumer and commercial banking activities in New York State will be merged and reconfigured into five new geographic divisions, each managed by a newly appointed regional president-division executive.

Antoinette Tomai Heron will head the eastern region, headquartered in New York City, which includes New York City and Long Island. She was previously group executive for the bank's consumer banking activities in New York City, Long Island, and the Hudson Valley.

The Hudson Valley region, headquartered in New Rochelle, will be headed by Garrett Goodbody, previously group executive for administration and support in Marine's corporate-institutional-international banking sector.

In the midstate region, headquartered in Syracuse, regional president Robert E. Wehrle was promoted to regional chairman and Richard D. Callahan was appointed regional president. Mr. Callahan had been group executive for direct consumer banking in the Syracuse area.

In the Rochester region, headquartered in Rochester, regional president Martin F. Birmingham was named regional chairman and Stephen C. Ames, previously group executive for commercial banking in the Buffalo area, was named regional president.

Charles M. Mitschow continues as president of the western region, with headquarters in Buffalo. ■

Oregon to Get State-Chartered Bank

Special to the American Banker

SEATTLE — A group of businessmen in Portland, Ore., plans to open the first state-chartered bank in Oregon in nearly four years.

The institution, which will be called the Anchor Bank of Oregon, will target its loans to local small businesses, according to Robert E. Laughlin, one of the organizers.

The bank will be capitalized at between $1.5 million and $3 million and plans to open its doors by Dec. 1, according to Mr. Laughlin.

The organizers hope to make the bank the centerpiece of a financial services center that will include lawyers, accountants, an investment banking and brokerage firm, and a real estate office, all geared to small businesses. They also hope to file a charter application with the state banking supervisor within 30 days, Mr. Laughlin said.

Mr. Laughlin and some of his partners were directors of another small Oregon bank, the Stewardship Bank, which opened in 1981 but failed in 1984 because of bad real estate loans. Mr. Laughlin said the failure was attributable to a weak economy, inexperienced directors, and poor management. He said the directors of the new institution will keep a closer eye on management.

"Our management team will be a notch above what it was before," Mr. Laughlin said.

The organizers include Joe Lutz, who nearly unseated Sen. Bob Packwood in the state's 1986 Republican Senate primary, and Kenneth R. Kraus, the manager of the central division of the Portland General Electric Co. They are trying to raise capital from a group of about 25 Oregon businessmen.

A related group is considering opening a similar community bank in Washington State.

Mr. Laughlin, the owner of the Western Food Equipment Co., Portland, said one of the reasons for organizing a new bank is the decline in home-owned banks in Oregon. ■

Automated . . .

➳ Continued from Page 11

of-sale terminal systems. The $5 billion-asset and larger banks were by far the most active, projecting almost 2,000 terminals per bank in 1986 rising to 3,800 by 1988.

- Half of all banks operated on-line teller terminal systems, and about 30% had platform automation systems in their branches at the end of 1985. Penetration was deepest at the over-$5 billion banks, 88% of which had on-line teller terminals and 72.4% platform terminals.
- In the wholesale area, 87% of all banks offered wire transfer services; 77% business money market accounts; 68% automated clearing house payrolls; 67% business savings accounts; 42% previous-day balance reporting; and 42% automated clearing house debits. Many cash management, wire transfer, and automated clearing house services were almost universally available from the larger institutions.
- More than six in ten banks, and almost 100% of those above $1 billion in assets, process checks on their own premises. About one-third of banks above $500 million in assets anticipated that they would increase their usage of Federal Reserve check clearing services in 1986 and 1987, but almost half of the over-$5 billion group said they would use the Fed less. ■

1st of America Buys Keystone

KALAMAZOO, Mich. — The First of America Bank Corp. completed the purchase of Keystone Bancshares Inc., Kankakee, Ill., for $25 million. First of America said Keystone shareholders will receive $45 per share payable in a First of America convertible preferred stock at a dividend rate of 9%. ■

LEGAL ADVERTISING

Auction Notices

NOTICE OF FORECLOSURE AND SALE NOTICE IS HEREBY GIVEN, that by virtue of a default in payment on a certain Security Agreement in the nature of a Chattel Mortgage under THE UNIFORM COMMERCIAL CODE, entered into by and between FELIX GURALNIK, as Debtor, and MELROSE CREDIT UNION, as Secured Party, dated September 29, 1986 duly filed and recorded covering a 1982 Oldsmobile Taxicab, ID#1GeAN69Y0CM317548 together with Dial Two Way Radio Rights in Car #239 and two shares of Dial Car, Inc. Certificate No. 291. THE UNDERSIGNED will foreclose and sell at Public Auction on Wednesday, June 3, 1987 at 10:30 A.M. at the offices of Melrose Credit Union, 41-13 Kissena Boulevard, Flushing, New York the 1982 Oldsmobile Taxicab. OD#1G3AN69Y0CM317548 together with Dial Two Way Radio Rights in Car #239 and two shares of Dial Car, Inc. Certificate No. 291. The secured party reserves the right to bid and buy. Michael Gilhooly, Auctioneer as Agent, 804 54th Street, Brooklyn, New York 11220. Samuel R. Buxbaum, Attorney for Secured Party, 41 East 42nd Street, New York, New York 10017, DCA#693772.

NOTICE OF FORECLOSURE AND SALE NOTICE IS HEREBY GIVEN, that by virtue of a default in payment on a certain Security Agreement in the nature of a Chattel Mortgage under THE UNIFORM COMMERCIAL CODE, entered into by and between ALEXANDER SVECHARNY, as Debtor, and MELROSE CREDIT UNION, as Secured Party, dated August 22, 1983 duly filed and recorded covering a 1982 Buick Taxicab, together with Dial Two Way Radio Rights in Car #179 and Two shares of Dial Car, Inc. Certificate No. 224. THE UNDERSIGNED will foreclose and sell at Public Auction on Wednesday, June 3, 1987 at 10:00 A.M. at the offices of Melrose Credit Union, 41-13 Kissena Boulevard, Flushing, New York the 1982 Buick Taxicab, together with Dial Two Way Radio Rights in Car #179 and two shares of Dial Car, Inc. Certificate No.224. The Secured party reserves the right to bid and buy. Michael Gilhooly, Auctioneer As Agent, 804 54th Street, Brooklyn, New York 11220. Samuel R. Buxbaum, Attorney for Secured Party, 41 East 42nd Street, New York, New York 10017. DCA#693772.

AUCTION SALE

SALE BY ORDER OF THE PROVIDENT LOAN SOCIETY OF NEW YORK

Jewelry, Second-hand Watches, Silver and Silver Plated Ware, U.S. Stamps and Coins and Miscellaneous articles of Personal Property being the collateral for loans in default represented by tickets of the following offices, numbers and dates inclusive:

PARK AVENUE SOUTH OFFICE—03028 August 19, 1985 to 07086 February 28, 1986

EAST 60th STREET OFFICE—92822 May 24, 1985 to 98739 February 28, 1986

LENOX HILL OFFICE—20125 June 10, 1985 to 22798 February 28, 1986

FORDHAM OFFICE—35507 August 5, 1985 to 39795 February 28, 1986

FLATBUSH OFFICE—19488 July 9, 1985 to 29709 February 28, 1986

FLUSHING OFFICE—17349 December 6, 1984 to 26715 February 28, 1986

Collateral to be sold at Public Auction on June 17 and 18, 1987 beginning at 10:00 a.m. each day at William Doyle Galleries, Inc., 175 East 87 Street, New York, NY 10028

AUCTIONEERS: William J. Doyle, Peter Cleary, Rodney Lang, Joanne Porrino Mournet, Riccardo Salmona.

LIEN SALES: June 17, 1987 in Brooklyn, N.Y. At 4:30 P.M. At 835 Remsen Ave., A 1970 Mercedes Benz #044222 Re: May Richardson; At 5 P.M. At 3 Plum 3rd St., A 1978 Invader Boat #6634PP(NY) Re: Al Zanzuri & Felix Guardiola. June 18, 1987 In Queens, N.Y. At 5 P.M. At 18-25 130th St., A 1985 Nissan #JN1PB12S2FU167512 Re: Patricia Gannon. June 19, 1987 In Manhattan, N.Y. At 4 P.M. At 606 W. 47 St., A 1976 Cadillac #6D47S6Q172817 Re: John Viesta. B. ZURROW, Auctioneer.

Steven Ross Lic Auctr #823718 sells June 10, 1987 at 9 AM at 48-02 Van Dam St. Qns, '80 Chev #CGD15A4149987 Re: SOS Locksmith/GMAC at 9:30 at 43-38 36th St.Qns, '82 Toyota #JT2MX62E7C0038749 Re: B. Miller, at 10 AM at 78-02 Northern Blvd. Qns, '81 Olds #1G3AN69F2BM235138 Re: M. Singh at 10:30 AM at 49-07 108th St. Qns, '84 Pontiac #2G2AF19R7E1286598 Re: Thompson & Johnson Equipment, at 11 AM at 37-91 103rd St. Qns, '78 Olds #3M47F8M437917 Re: E. Gialvis at 12 PM at 28 15th St. Bklyn, '82 Ford #1FABP4235CH106331 Re: B. Nunez, at 1PM at 574 Third Ave, Bklyn, '63 M/B #W11102320072554, '65 Ford #5Y832153506, '75 Daimler #3B1093BW Re: P. Forrestar, at 2 PM at 814 McDonald Ave. Bklyn, '84 Chev #2G1AL6992E9250328 Re: Loredo Cab Corp, J. Joanis & Central National Bank. Published 5/27 and 6/3.

B. KOMITO DCA LIC# 768450 &/OR M. SKOLNICK DCA LIC# 793108 &/OR S. SPERBER DCA LIC# 769437 Sell, June 10, 1987 10:15 A.M. 374 Central Ave Bklyn 1975 Chevrolet 2 Dr Sdn 1X17G5T157152 Re: V. Borrero, 1975 Ford 4 Dr Sdn 5E81F125661 Re: C. Hernandez: 10:45 A.M. 81 Clay St Bklyn 1979 Oldsmobile 4 Dr Sdn 3X69N9M222781 Re: A. Gold: 11:15 A.M. 39-20 27th St Queens 1979 Plymouth 4 Dr Sdn ML44A9D288614 Re: J. Mosquera: 11:45 A.M. 34-29 31st St Queens 1978 Ford Tow Truck F35YEL00789 Re: Mike's Shell Towing Service: 12:15 P.M. 109-25 Corona Ave Queens 1981 Datsun 4 Dr Sdn JN1SU01S6BT003017 Re: J. Stevenson: 1:00 P.M. 130-29 Merrick Blvd Queens 1974 Oldsmobile 2 Dr Sdn 3J57K4R140747 Re: J. Kaplan, 1:00 P.M. 130-29 Merrick Blvd Queens 1978 Cadillac 4 Dr Sdn 6D69S8E622448 Re: B. Halloway: 1:15 P.M. 130-07 Merrick Blvd Queens 1975 Chrysler 2 Dr Sdn SS22K5R332571 Re: L. Poma: 1:45 P.M. 122-21 Merrick Blvd Queens 1980 Toyota 4 Dr Sdn TE720509856 Re: A. Colliton: 2:00 P.M. 140-06 Farmers Blvd Queens 1976 Datsun 2 Dr Sdn HLB210759992 Re: A. Williams: 2:45 P.M. 66 Berriman St Bklyn 1959 Lincoln 4 Dr Sdn H9YB417051 Re: R. Lopez, 1971 Ford Tow Truck N61CVK52715 Re: Charles Towing Service, 1981 Oldsmobile 4 Dr Sdn 1G3AR69A6BG406190 Re: M. Kelley, 1979 Cadillac 2 Dr Sdn 6L57B9E665174 Re: O. Galindez, 1976 Datsun 2 Dr Sdn HLB210842008 Re: A. Mendez: 3:15 P.M. 3170 Atlantic Ave Bklyn 1979 Pontiac 4 Dr Sdn 2N69Y9P201661 Re: K. Taylor: 3:45 P.M. 940 E. 92nd St Bklyn 1983 Audi 4 Dr Sdn WAUGB0430DN028903 Re: J. Guarislia: 4:15 P.M. 8726 Foster Ave Bklyn 1981 Datsun 4 Dr Sdn JH1HU01S3BT013241 Re: L. Smith: I. BELENSON & CO., INC.

B. SPERBER DCA LIC# 794803 &/OR S. SPERBER DCA LIC# 769437 Sell, June 10, 1987 9:30 A.M. 173 Marine St Bronx 1978 Chevrolet 2 Dr Sdn 1W27M8B467138 Re: H. Malik: 10:00 A.M. 3112 Jerome Ave Bronx 1972 Mercedes Benz 4 Dr Sdn 1401112012443 Re: A. Awadallah: 10:30 A.M. 3100 Webster Ave Bronx 1980 Oldsmobile 4 Dr Sdn 3B695AW164336 Re: S. Mircic: 11:00 A.M. 1959 Jerome Ave Bronx 1978 Pontiac Subn 2N35X8X146077 Re: M. Bonlla: 11:30 A.M. 1660 Selwyn Ave Bronx 1973 Buick 4 Dr Sdn 4H29H3G112361 Re: N. Jackson: 11:30 A.M. 1742 Morris Ave Bronx 1971 International Truck 840451L042285 Re: A. Klontzaris: 12:00 P.M. 1104 Webster Ave Bronx 1983 Honda Motorcycle JH2MC0C01DK100934 Re: B. D. Pote, Inc.: 12:15 P.M. 460 E. 167th St Bronx 1985 Pontiac 4 Dr Sdn 1G2JB6908F7563385 Re: E. Castellar: 12:30 P.M. 660 W. 177th St NYC 1983 Cadillac 2 Dr Sdn 1G6AD4787D9172042 Re: I. Fontaine, 1976 Pontiac 2 Dr Sdn 2K57E6P162047 Re: W. Jones, 1973 Mercedes Benz 4 Dr Sdn 11603212015198 Re: E. Block, 1969 Chrysler Subn CP45G9C304215 Re; E. Block: 1:00 P.M. 2 Sherman Ave NYC 1977 Chrysler 2 Dr Sdn SS22N7R143028 Re: H. Bermingham: 1:15 P.M. 270 Dyckman St NYC 1985 Toyota 2 Dr Sdn JT2AE86SXF0165191 Re: L. Bolanco: 2:00 P.M. 2040 White Plains Road Bronx 1980 Chevrolet 4 Dr Sdn 1X685AT149798 Re: O. Burke, 1977 Lincoln 2 Dr Sdn 7Y89S820338 Re: L. Quinones: 2:30 P.M. 156 E. 105th St NYC 1977 Chevrolet 4 Dr Sdn 1N69U7S113512 Re: L. Zuchman: 3:30 P.M. 967 Atlantic Ave Bklyn 1979 Volkswagon 2 Dr Sdn 5392059257 Re: L. Jacob: I. BELENSON & CO., INC.